MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BBL2824 – BUSINESS LAW

(Distance Education)

03 March 2016
02.30p.m – 04.30p.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 3 pages with 5 Questions only.

2. Answer **FOUR (4)** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1 (25 MARKS)

Discuss the circumstances in which the courts lift the veil of incorporation and consider the extent Malaysian courts are willing to apply justice as a criterion in lifting the veil of incorporation under the common law and statutory laws.

QUESTION 2 (25 MARKS)

(a) A proposal can be made in any form and it will be valid until a certain period of time. State the circumstances in which a proposal may be terminated with reference to the Contracts Act 1950 and decided cases.

(15 marks)

(b) Aliza in Cyberjaya offers to sell 1000 units of iPhone 6s to Eton at a certain price on 1 January 2016. Eton telephones to Aliza to accept the offer. However, Aliza was not in the office at the said time. A tape recorded voice requests Eton to leave any message. Eton said, 'I accept your offer'. Aliza returns to the office and sends a fax to Eton revoking her offer. Eton receives the fax. Later Aliza played the tape and heard Eton's words of acceptance. Is there a contract between Aliza and Eton? Discuss.

(10 marks)

QUESTION 3 (25 MARKS)

Section 27 Sales of Goods Act (1957) states that as a general rule, no one can transfer a better title than he himself possess. So when a buyer buys goods from someone other than the owner of the goods, he will not obtain a good title, even though he had acted in good faith and without knowledge of the lack of title of the seller. However the Act provides for exceptions to this rule. Discuss the general rule and the exceptions by referring to relevant sections and cases.

QUESTION 4 (25 MARKS)

(a) Insurance contracts are *uberrimae fidei* (of the utmost good faith). Explain the meaning of this legal principle.

(9 marks)

(b) In the context of insurance law, a person entering into a contract of insurance is only required to disclose 'material facts'. Discuss what is meant by the term 'material facts' and the term 'insurable interest' by referring to decided cases.

(16 Marks)

Continued...

QUESTION 5 (25 MARKS)

(a) Nashira offers to sell her iPad to Zachariah and stated that acceptance in writing must reach her office by 15 February 2016. Explain the legal situation in the following circumstances.

(i) Zachariah posted a letter of acceptance to Nashira on 10 February 2016, which arrives at Nashira's office on 16 February 2016.

(ii) Zachariah telephones Nashira on 14 February 2016 accepting the offer but Nashira insisted that Zachariah must accept in writing.

(iii) Zachariah sends a fax to Nashira at 4:00p.m. on 15 February 2016 but Nashira's fax machine was out of order at the time. By the time Zachariah rushed to Nashira's office, the office was already closed.

(15 marks)

(b) Gayle advertised in the Newspaper a 2009 model Toyota car for sale. Nel sent the following fax to Gayle: "Interested to buy the Toyota car. Quote the lowest price." To this Gayle replied, "The lowest price that I can offer is RM40,000." Nel replied, "I agree to buy the car for RM40,000." Gayle did not care to answer Nel. After waiting for a few weeks Nel goes to Gayle with the money to buy the car. Gayle refuses to sell. Examine whether there is an enforceable contract between Gayle and Nel.

(10 marks)

End of Paper